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**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

Interworks Unlimited, Inc.,)	Case No.
a California corporation,)	
Plaintiff,)	COMPLAINT FOR:
v.)	1. BREACH OF CONTRACT
Digital Gadgets, LLC., a)	2. GOODS SOLD AND DELIVERED
New Jersey limited)	3. UNJUST ENRICHMENT
liability company,)	4. ACCOUNTS STATED
Defendant.)	DEMAND FOR JURY TRIAL
_____)	

Plaintiff Interworks Unlimited, Inc. (hereinafter the "Plaintiff") hereby alleges and complains against Defendant Digital Gadgets, LLC. (hereafter the "Defendant") as follows:

I.

JURISDICTION AND VENUE

1. Jurisdiction is predicated upon 28 U.S.C. § 1332(a)(1) in that this action is between citizens of different states and the amount in controversy exceeds

1 \$75,000.00, exclusive of interest and costs.

2 2. The Central District of California is the proper
3 venue for this matter pursuant to 28 U.S.C. § 1391(b)
4 because, as set forth below, a substantial part of the
5 events and omissions giving rise to this action occurred in
6 the County of Los Angeles, California, within the
7 jurisdiction of this district.

8 3. The Defendant purposely availed itself to this
9 jurisdiction through a number of contacts with and
10 substantial business activities in this district. This
11 includes, without limitation, the following: (1) maintaining
12 an agent in the City of Santa Fe Springs, County of Los
13 Angeles to act on Defendant's behalf in connection with its
14 business transactions, including Defendant's business
15 transactions with the Plaintiff; (2) having its merchandise,
16 including the merchandise it purchased from the Plaintiff,
17 shipped to and stored at a warehouse located in the City of
18 Santa Fe Springs, County of Los Angeles; (3) having its
19 merchandise, including the merchandise it purchased from the
20 Plaintiff, distributed to its customers from the City of
21 Santa Fe Springs, County of Los Angeles; 4) initiating a
22 business relationship with the Plaintiff being fully aware
23 that its office was located in the City of Industry, Los
24 Angeles County ("Industry Office"); (5) submitting purchase
25 orders to the Plaintiff at the Plaintiff's Industry Office;
26 (6) directing payments to the Plaintiff at the Plaintiff's
27 Industry Office; (7) contacting or submitting inquiries to the
28 Plaintiff at the Plaintiff's Industry Office; (8) purchasing

1 over \$1,000,000.00 worth of merchandise in just the last
2 year.

3 **II.**

4 **PARTIES**

5 4. The Plaintiff is, at all relevant times, a
6 corporation duly formed and existing under the laws of the
7 State of California and is qualified and authorized to do
8 business in California, with its principal place of business
9 located in the City of Industry, County of Los Angeles.

10 5. The Defendant is, at all relevant times, a New
11 Jersey corporation that is organized and existing under the
12 laws of the State of New Jersey, with its principal place of
13 business in Monroe Township, New Jersey.

14 **III.**

15 **FACTUAL ALLEGATIONS**

16 6. At all times relevant herein, the Plaintiff sold
17 self-balancing transportation devices also known as
18 hoverboards. At all times relevant herein, Defendant
19 purchased such goods from Plaintiff.

20 7. In or about December of 2016, Defendant began
21 placing a series of orders for hoverboards with the
22 Plaintiff. In all, the Defendant ordered from the Plaintiff
23 \$2,196,250.00 worth of hoverboards. A true and correct copy
24 of a document entitled "Accounts Receivables Aged Invoice
25 Report", which reflects said orders is attached and
26 incorporated hereto as Exhibit 1. The Plaintiff subsequently
27 provided the Defendant with \$354,970.00 in discounts.

28 8. Following the delivery of these items in or about

1 December 2016 and January 2017, Defendant had 60 days to
2 make payment.

3 9. Even though the hoverboards were conforming and
4 accepted, Defendant has failed to fully pay for these
5 orders.

6 10. As of July of 2017, Defendant has an outstanding
7 balance of \$1,135,880.00. A true and correct copy of a
8 spreadsheet that reflects this outstanding balance is
9 attached and incorporated hereto as Exhibit "2."

10 11. While Defendant had previously made repeated
11 assurances that it would pay the outstanding balance, it
12 never did.

13 **IV.**

14 **FIRST CLAIM**

15 **Against Defendant**

16 **FOR BREACH OF CONTRACT FOR SALE OF GOODS.**

17 12. Plaintiff refers to and incorporates hereat, by
18 this reference, as if fully set forth herein *seriatim* the
19 above paragraphs of this complaint.

20 13. There was a contract(s) between the Defendant and
21 the Plaintiff by which the Defendant agreed to buy and
22 Plaintiff agreed to sell hoverboards.

23 14. Plaintiff has performed all the terms and
24 conditions of the contract(s) for the sale of goods between
25 it and Defendant by selling and delivering the conforming
26 goods ordered by Defendant, or has been excused from such
27 performance.

28 15. Even though the goods were conforming and have

1 been delivered and accepted, the Defendant has failed and
2 refused to fully pay the Plaintiff for such goods, in breach
3 of the contract(s), although demand for payment has been
4 duly and timely made.

5 16. As a proximate result of the breach of the
6 contract(s) by the Defendant, Plaintiff has sustained
7 damages in the amount of \$1,135,880.00, along with
8 incidental and consequential damages, the precise amount of
9 damages sustained shall be determined at trial according to
10 proof.

11 **V.**

12 **SECOND CLAIM**

13 **Against Defendant**

14 **FOR GOODS SOLD AND DELIVERED.**

15 17. Plaintiff refers to and incorporates hereat, by
16 this reference, as if fully set forth herein *seriatim* the
17 above paragraphs of this complaint.

18 18. Within the last two years, Defendant became
19 indebted to Plaintiff in the sum of \$1,135,880.00 for goods
20 ordered, sold and delivered to Defendant by the Plaintiff.

21 19. Despite repeated promises by Defendant that it
22 would pay for the goods, and despite repeated demands by
23 Plaintiff to Defendant for payment, the amount of
24 \$1,135,880.00 remains unpaid.

25 20. Defendant is liable to Plaintiff for the agreed
26 reasonable price of the goods in the amount of
27 \$1,135,880.00, together with interest at the legal rate.

28 **VI.**

1 **THIRD CLAIM**

2 **Against Defendant**

3 **FOR UNJUST ENRICHMENT.**

4 21. Plaintiff refers to and incorporates hereat, by
5 this reference, as if fully set forth herein seriatim the
6 above paragraphs of this complaint.

7 22. Plaintiff delivered \$1,135,880.00 worth of ordered
8 goods to Defendant in good faith.

9 23. Defendant accepted the goods thus, received a
10 benefit.

11 24. Plaintiff reasonably expected to be compensated
12 for the goods.

13 25. Defendant has no valid legal or equitable claim to
14 Plaintiff's goods or the financial benefit they have derived
15 from them. It would be inequitable for Defendant to retain
16 that benefit.

17 **VII.**

18 **FOURTH CLAIM**

19 **Against Defendant**

20 **FOR ACCOUNT STATED.**

21 26. Plaintiff refers to and incorporates hereat, by
22 this reference, as if fully set forth herein seriatim the
23 above paragraphs of this complaint.

24 27. Prior to the commencement of this action, there
25 were a number of previous transactions between the Plaintiff
26 and Defendant, wherein there was an established relationship
27 of the Plaintiff as the creditor and Defendant as the
28 debtor.

1 28. Within four (4) years prior to the commencement of
2 this action, an account was stated in writing by and between
3 the Plaintiff and Defendant, wherein it was agreed by the
4 parties that Defendant was indebted to Plaintiff in the sum
5 of \$1,135,880.00.

6 29. No part of the sum of \$1,135,880.00 has been paid
7 by Defendant, despite repeated promises that it would pay
8 this debt. Although repeated demands have been made by
9 Plaintiff, there is now due, owing, and unpaid from
10 Defendant to Plaintiff the sum of \$1,135,880.00, together
11 with interest thereon at the legal rate and attorney fees
12 pursuant to statute, including CA Civ. Code §1717.5, the
13 exact amount to be determined according to proof at the time
14 of trial.

15 WHEREFORE, Plaintiff prays for judgment against the
16 Defendant as follows:

17 **AS TO THE FIRST CLAIM:**

18 1. For compensatory damages in the amount of at least
19 \$1,135,880.00, the precise amount to be determined
20 at trial;

21 2. For incidental and consequential damages in an
22 amount to be determined at trial;

23 **AS TO THE SECOND CLAIM:**

24 1. The price for the goods in the amount of
25 \$1,135,880.00;

26 **AS TO THE THIRD CLAIM:**

27 1. The price for the goods in the amount of
28 \$1,135,880.00, the reasonable value of the goods;

1 **AS TO THE FOURTH CLAIM:**

- 2 1. The sum of \$1,135,880.00; and
3 2. For attorney's fees pursuant to statute and/or
4 contract;

5 **AS TO ALL CLAIMS:**

- 6 1. For all interest including, without limitation,
7 prejudgment interest, pursuant to statute and/or
8 contract, the precise amount to be determined at
9 trial;
10 2. For all costs of suit incurred herein; and
11 3. For such other and further relief as to the Court
12 seems just and proper.

13 **JURY TRIAL DEMANDED**

14 Plaintiff hereby demands a jury trial on all issues so
15 triable.

16 DATED: July 7, 2017

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